REMARKS/ARGUMENTS

The Office Action mailed August 11, 2006 has been reviewed and carefully considered. Claims 1-8 and 9-18 are pending in this application, with claims 1 and 15 being the only independent claims. Reconsideration of the above-identified application, as herein amended and in view of the following remarks, is respectfully requested.

Claim Amendments

Independent claim 1 is amended to include the steps "receiving by the control node information related to current supply and demand conditions on an electric network through a feedback loop" and "generating, by the control node, a route plan for routing electricity between the matched buyer and seller while matching loads and resources of the electric network based on the supply and demand information".

Independent claim 15 is amended to recite "a feedback loop connected between the control node and an electric network, wherein the electric network is capable of routing electricity between buyers and sellers, said control node being configured for receiving information relating to current supply and demand conditions on the electric network through the feedback loop, generating a route plan for routing electricity between the matched buyer and seller while matching loads and resources of the electric network based on the information".

These limitations added to independent claims 1 and 15 were originally found in original claims 8 and 9.

Dependent claims 2, 3, 8, and 17 are amended to be consistent with the changes made to independent claims 1 and 15.

Dependent claim 9 is canceled without prejudice or disclaimer.

Rejection of Claims under 35 U.S.C. §102

Claims 1-18 stand rejected under 35 U.S.C. 102(e) as being anticipated by Johnson (U.S. Patent No. 6,598,029).

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Bros.*V. Union Oil Co. of California, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

The limitations added to independent claims 1 and 15 by the present amendment, which are based on the limitations of original claims 8 and 9, are not anticipated by Johnson. In the Office Action, the Examiner alleges that the limitations of original claims 8 and 9 which recite "receiving by the control node information related to current supply and demand conditions on an electric network through a feedback loop" and "generating, by the control node, a route plan for routing electricity between the matched buyer and seller while matching loads and resources of the electric network based on the supply and demand information", which are now recited in independent claim 1, are disclosed at col. 6, lines 5-65; and col. 12, lines 5-40 of Johnson. However, these sections of Johnson referred to by the Examiner do not disclose a feedback loop for receiving current supply and demand conditions. Col. 6, lines 40-42, of Johnson mentions that a provider may change its bids as often as it likes as marketplace demands for energy change. However, that particular section does not state that a control node receives demand information from a feedback loop as recited in the claims. Rather, that portion of Johnson merely states that the provider changes bids in response to changes in demand, but does not state how the provider determines the changes in the demand for energy. Therefore, Johnson fails to disclose "receiving by the control node information related to current supply and demand conditions on an electric network through a feedback loop" and "said control node being configured for receiving information relating to current supply and demand conditions on the electric network through the feedback loop", as respectively recited in independent claims 1 and 15.

Likewise, the second section of Johnson referred to by the Examiner (col. 12, lines 5-40) also fails to disclose a feedback loop by which the control node receives current supply and demand conditions on the electric network. In fact, this section refers to only an <u>estimate</u> of energy required on an recurring basis (col. 12, lines 21-23) and not current supply and demand conditions. Since an <u>estimate</u> of required energy is used, Johnson fails to disclose, teach or suggest that the current supply and demand conditions are required. Thus, Johnson also fails to teach or suggest the above limitations of claims 1 and 15.

Johnson also discloses determining actual use of each user with meters that are arranged at the end user's premises (see e.g., col. 12, lines 24-29). However, this does not disclose a feedback for determining current supply and demand conditions on the electric network. Accordingly, independent claims 1 and 15 are not anticipated by Johnson.

Since Johnson does not mention taking into account current supply and demand conditions on the electric network, independent claims 1 and 15 are also allowable over Johnson.

Dependent claims 2-8, 10-14 and 16-18 are allowable for at least the same reasons as are independent claims 1 and 15.

The application is deemed to be in condition for allowance and notice to that effect is solicited.

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